

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA, : 15-CR-00240 (RJD)

-against- : United States Courthouse
: Brooklyn, New York

ZORANA DANIS, : Tuesday, May 26, 2015
Defendant. : 11:00 a.m.

TRANSCRIPT OF CRIMINAL CAUSE FOR A PLEADING
BEFORE THE HONORABLE RAYMOND J. DEARIE
UNITED STATES SENIOR DISTRICT COURT JUDGE
SEALED PROCEEDINGS

APP E A R A N C E S:

For the Government: LORETTA E. LYNCH, ESQ.
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Eastern District of New York
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BY: SAMUEL P. NITZE, ESQ.
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Attorney

For the Defendant: WALDEN MACHT & HARAN LLP
One Broadway, Sixth Floor
New York, New York 10004
BY: SEAN HARAN, ESQ.
DEVON LITTLE, ESQ.

Also present: LOUIS CALVI. PRETRIAL SERVICES OFFICER

Court Reporter: Lisa Schwam, RPR, CRR, RMR
Official Court Reporter
Telephone: (718) 613-2268

Proceedings recorded by computerized stenography. Transcript produced by Computer-Aided Transcription.

1 (In open court.)

2 THE COURTROOM DEPUTY: We are on this morning for
3 an arraignment and a pleading. This is USA versus Zorana
4 Danis.

5 Is that the correct pronunciation?

6 THE DEFENDANT: Yes, it is.

7 THE COURTROOM DEPUTY: Thank you, Ms. Danis.
8 Docket No. 15-CR-240, assigned to Judge Dearie.

9 Can I ask the attorneys, please, to note their
10 appearance for the record beginning with counsel for the
11 government.

12 MR. NITZE: Sam Nitze for the United States. And
13 I'm joined this morning by Victoria Black, an intern in our
14 office.

15 THE COURT: Good morning, Mr. Nitze.

16
17
18
19
20 THE COURTROOM DEPUTY: I'm going to ask you to
21 raise your right hand.

22 (Defendant sworn.)

23 THE COURTROOM DEPUTY: Thank you very much.

24 THE COURT: Enter your formal appearance,
25 Mr. Haran.

1 THE COURTROOM DEPUTY: I'm sorry, Mr. Haran.

2 MR. HARAN: Sean Haran and Devon Little for
3 Ms. Danis. Thank you.

4 THE COURT: Good morning. Good morning, madam.

5 THE DEFENDANT: Good morning, your Honor.

6 THE COURT: I have to ask you a number of
7 questions, as I'm sure counsel has told you. If there's
8 anything I say that isn't entirely clear to you, don't
9 hesitate to say so. It's absolutely critical that you
10 understand everything that's being said, everything that's
11 being asked of you. We're in no hurry.

12 Do you understand?

13 THE DEFENDANT: Understood.

14 THE COURT: Along that line, if you wish at any
15 time to confer with counsel, just ask me. I will give you
16 as much time as you need to confer privately with your
17 attorney.

18 THE DEFENDANT: Understood.

19 THE COURT: Bear in mind also as we proceed -- a
20 gentleman has just entered the courtroom. I assume he is
21 affiliated with --

22 THE COURTROOM DEPUTY: He is with pretrial.

23 Mr. Calvi, I'm going to ask you, please, to put
24 your appearance on the record for us.

25 PRETRIAL OFFICER: Good morning. Good morning,

1 your Honor. Louis Calvi, United States Pretrial Services.

2 THE COURT: Mr. Calvi, welcome and good morning.

3 I was saying you're now under oath. If there's
4 anything I say that isn't -- your answers to my questions
5 must be truthful. If they were not in any material way, you
6 could subject yourself to further charges in the offense of
7 perjury, which is lying under oath.

8 Do you understand?

9 THE DEFENDANT: Understood.

10 THE COURT: May I have your full name, please.

11 THE DEFENDANT: Zorana Danis.

12 THE COURT: And how old are you?

13 THE DEFENDANT: 52.

14 THE COURT: And what schooling or education have
15 you had?

16 THE DEFENDANT: Georgetown University, bachelor's
17 degree, School of Foreign Service.

18 THE COURT: I can assume safely that you're fluent
19 in English, which is your native language? Correct?

20 THE DEFENDANT: No. My native language is
21 Serbian.

22 THE COURT: Okay. I beg your pardon.

23 Are you currently under the care of any medical
24 professionals?

25 THE DEFENDANT: No.

1 THE COURT: Are you taking any medication?

2 THE DEFENDANT: No.

3 THE COURT: Is your mind clear this morning?

4 THE DEFENDANT: Yes.

5 THE COURT: You're able to concentrate on what I'm
6 saying?

7 THE DEFENDANT: Yes.

8 THE COURT: Are you in any discomfort?

9 THE DEFENDANT: No.

10 THE COURT: Mr. Haran, in your discussions with
11 your client, have you at any time had difficulty
12 communicating?

13 MR. HARAN: Absolutely not.

14 THE COURT: Are you satisfied she understands the
15 rights she will be waiving by waiving indictment and
16 pleading guilty?

17 MR. HARAN: Yes.

21 MR. HARAN: Yes, your Honor.

22 THE COURT: Excuse me just a second. I'm drawing
23 a blank. I beg your pardon.

24 (Brief pause.)

25 THE COURT: Ms. Danis, are you satisfied with

1 counsel's representation?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: Okay. You wish to have him continue
4 in their role as your attorney?

5 THE DEFENDANT: Yes.

6 THE COURT: Mr. Haran, are you retained in the
7 matter?

8 MR. HARAN: Yes.

9 THE COURT: The first piece of business we have is
10 what's commonly referred to as a "waiver of indictment."
11 The offense reflected in the government's information
12 charges a felony violation of law. A felony is any offense
13 that carries with it a possible sentence in excess of one
14 year. This is a felony. It carries with it a sentence well
15 in excess -- a potential sentence of 20 years.

16 Do you understand that?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: The U.S. Attorney does not have the
19 authority to charge you or anyone with any felony violation
20 of law. You have the right to have a grand jury decide
21 whether or not there is probable cause to believe that
22 you've committed this or any offense.

23 Do you understand that?

24 THE DEFENDANT: Yes, I do.

25 THE COURT: Absent the grand jury's indictment,

1 the U.S. Attorney would be powerless to proceed against you
2 unless you waive your right to proceed before the grand
3 jury.

4 Do you understand that?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: I take it it is your intention to
7 waive your right to proceed before the grand jury?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: Understand that a grand jury is a
10 group of people drawn from our community, like any other
11 jury, comprised of 23 people, 16 of whom must be present to
12 hear evidence, constitute a lawful quorum, and 12 must
13 conclude after the government's presentation that there is
14 probable cause to believe that you've committed an offense.
15 Then, and only then, would the grand jury be entitled or
16 empowered, I should say, to charge you with a felony
17 violation of law.

18 Do you understand that?

19 THE DEFENDANT: Yes, I do.

20 THE COURT: That means they may or may not indict
21 you for a felony violation.

22 Do you understand that?

23 THE DEFENDANT: Yes.

24 THE COURT: As I said before, if they decide there
25 is not sufficient evidence to establish probable cause that

1 you've committed an offense and choose not to return an
2 indictment, the government would on their own be powerless
3 to proceed against you.

4 Do you understand that?

5 THE DEFENDANT: Yes, I do.

6 THE COURT: They would have the opportunity to
7 re-present the case to the same grand jury with perhaps
8 additional evidence. They would have the right to present
9 the matter to a different grand jury, but they could not
10 charge you with a felony absent a grand jury vote of an
11 indictment in the case.

12 Do you understand that?

13 THE DEFENDANT: Yes, I do.

14 THE COURT: Now, knowing that, is it still your
15 intention, do you waive your grand jury presentation?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: Any questions about it?

18 THE DEFENDANT: No.

19 THE COURT: In the presence and with the advice of
20 counsel, the defendant has fully and voluntarily waived her
21 right to proceed before the grand jury. And accordingly,
22 the waiver of indictment is accepted by the Court.

23 Is there such a waiver around here, Ellie, because
24 I haven't seen it?

25 THE COURTRoom DEPUTY: Yes.

1 Do you have the original waiver, Mr. Haran.

2 MR. HARAN: Absolutely. Sorry about that.

3 THE COURT: Your client signed it?

4 MR. HARAN: Yes. Thank you.

5 THE COURTROOM DEPUTY: Thank you.

6 THE COURT: You read it before you signed it?

7 THE DEFENDANT: Yes, I did.

8 THE COURT: Counsel, you witnessed the execution
9 of the waiver?

10 MR. HARAN: That's true.

11 THE COURT: I'll add my signature as the presiding
12 judicial officer.

13 So now we proceed, Ms. Danis -- two signatures?

14 THE COURTROOM DEPUTY: Please.

15 THE COURT: We proceed just as if the grand jury
16 had indicted you for this offense.

17 Do you understand that?

18 THE DEFENDANT: Yes, I do.

19 THE COURT: Now, notwithstanding your agreement
20 with the government, a copy of which I have in front of me,
21 you have an absolute right as you stand there now to enter a
22 plea of not guilty.

23 Do you understand that?

24 THE DEFENDANT: I do.

25 THE COURT: As a practical matter, to call it off.

1 Do you follow what I'm saying?

2 THE DEFENDANT: Yes, I do.

3 THE COURT: If you were to plead not guilty, under
4 our Constitution and laws, you'd be entitled to a speedy and
5 public trial by a jury with the assistance of counsel on the
6 charge reflected in the information and perhaps on other
7 charges as well.

8 Do you understand that?

9 THE DEFENDANT: Yes.

10 THE COURT: At trial, you would be presumed
11 innocent of any charge or charges. The government would
12 have to overcome or attempt to overcome this presumption of
13 innocence and prove you guilty by competent evidence and
14 beyond a reasonable doubt. You would not be required to
15 prove a thing. You could sit back and do nothing, say
16 nothing; simply put the government to the burden of
17 attempting to satisfy the jury of your guilt.

18 Do you understand that?

19 THE DEFENDANT: I do.

20 THE COURT: That means, as a practical matter,
21 that if the government were to fail in any way to establish
22 proof beyond a reasonable doubt, the jury would be obligated
23 under my instructions to find you not guilty even if you
24 committed this offense.

25 Do you understand that?

1 THE DEFENDANT: Yes, I do.

2 THE COURT: In the course of the trial, witnesses
3 for the government would be required to come here to the
4 courtroom and testify under oath in your presence and, of
5 course, in the presence of the attorneys. You would have
6 the right, therefore, to confront each of these witnesses
7 face to face here in the courtroom. You'd have the right of
8 counsel to cross-examine each of the government's witnesses
9 and, if appropriate, to object to evidence offered by the
10 government. You'd have the right to offer evidence in your
11 own defense but not the obligation to do so. And in that
12 regard, you'd have the right to compel the attendance of
13 potential witnesses through the use of a court order or
14 subpoena.

15 Do you understand that?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: At trial, you would have the right to
18 testify but, again, no obligation to do so. You also enjoy
19 a constitutional right or privilege, as we call it, to
20 remain silent and not testify. And if you decided to do
21 that in consultation with counsel, I would instruct the jury
22 in the strongest possible terms that under no circumstances
23 could they, the jury, hold your decision against you.

24 Do you understand that?

25 THE DEFENDANT: Yes.

1 THE COURT: The decision whether or not to
2 testify, just like the decision whether or not to offer a
3 plea of guilty, is yours to make, not counsel.

4 Do you understand that?

5 THE DEFENDANT: I do.

6 THE COURT: Now, having said all of that, if you
7 plead guilty and I accept your plea, you will be giving up
8 your right to a trial. There will be no trial. With the
9 possible exception of sentence, there is no right to an
10 appeal. For all intents and purposes, save for sentence,
11 the proceedings ends today.

12 Do you understand that?

13 THE DEFENDANT: I do.

14 THE COURT: And finally, before I can actually
15 accept your plea, I'm required under the rules to satisfy
16 myself that you are, in fact, guilty of the charge reflected
17 in the information. To do that, in just a couple of minutes
18 I'll ask you some questions. In responding to my questions,
19 Ms. Danis, you obviously give up your right to remain
20 silent. You'll give up your constitutional right not to
21 incriminate yourself. And you'll be called upon here in
22 open court this morning to acknowledge your guilt.

23 Do you understand that?

24 THE DEFENDANT: Yes.

25 THE COURT: Are you willing then to give up your

1 right to a trial and these other rights I've just explained?

2 THE DEFENDANT: Yes, I am.

3 THE COURT: Do you have any questions of me or of
4 counsel?

5 THE DEFENDANT: No, your Honor.

6 MR. NITZE: Your Honor, if I may, you asked if
7 Ms. Danis' counsel was retained and he said he was. I just
8 wanted to make sure that, your Honor, the record was clear
9 that she has a right to counsel appointed if necessary at
10 trial and throughout the proceedings.

11 THE COURT: Good point.

12 You have an absolute right to an attorney. If you
13 can't afford an attorney, you have a right to the
14 appointment of counsel by the Court. Counsel will be paid
15 under the authority of the Criminal Justice Act.

16 Do you understand that?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: This is not a question of your
19 resources. You have an absolute right to counsel.

20 Do you understand that?

21 THE DEFENDANT: Yes, I do.

22 THE COURT: All right. So I have before me a
23 document that bears the caption of this case [REDACTED]

24 [REDACTED]

25 MR. HARAN: This is the original, your Honor.

1 THE COURT: You have the original?

2 MR. HARAN: Yes.

3 THE COURT: It is a 19-page typewritten document
4 containing 22 numbered paragraphs, the final page being the
5 signature page which I take it has now been executed or has
6 not yet been executed?

7 MR. HARAN: It's been executed.

8 THE COURT: Have you read that document?

9 THE DEFENDANT: Yes, I have.

10 THE COURT: Carefully?

11 THE DEFENDANT: Very.

12 THE COURT: You understand that document is a very
13 important document in your life and future.

14 Do you understand that?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: Have you read it with that degree of
17 care?

18 THE DEFENDANT: Yes, I have.

19 THE COURT: Have you had any questions answered by
20 counsel?

21 THE DEFENDANT: Yes, I have.

22 THE COURT: Any questions you'd like to put to me?

23 THE DEFENDANT: No, your Honor.

24 THE COURT: All right. You feel confident that
25 you understand everything in the agreement?

1 THE DEFENDANT: Yes, I do.

2 THE COURT: Does this written agreement, Court
3 Exhibit --

4 THE COURTROOM DEPUTY: I marked it as Court
5 Exhibit 2.

6 (Court Exhibit 2 received in evidence.)

7 THE COURT: Thank you.

8 Court Exhibit 2, your agreement with the
9 government, is it complete? In other words, is your
10 understanding with the government fully and accurately set
11 out in writing in this agreement?

12 THE DEFENDANT: I do. I believe so.

13 THE COURT: Okay. Mr. Haran, can you confirm
14 that?

15 MR. HARAN: Yes.

16 THE COURT: Mr. Nitze?

17 MR. NITZE: Yes, Judge.

18 THE COURT: All here. I'll come back to that in
19 just a moment.

20 With counsel's permission, I will dispense with
21 the reading of the lengthy introduction.

22 MR. HARAN: Yes, your Honor.

23 THE COURT: Mr. Haran, is that acceptable?

24 MR. HARAN: Yes. We would waive formal reading.

25 THE COURT: Paragraphs 1 through 34 of the

1 information reflect that introduction, and they are
2 incorporated into the charge as noted in paragraph 35.

3 I begin with paragraph 36, quote, "In or about and
4 between 2000 and 2012, both dates being approximate and
5 inclusive, within the Southern District of New York, the
6 defendant, Zorana Danis, did knowingly and intentionally
7 conspire to devise a scheme and artifice to defraud" -- here
8 we go. You want to pronounce it for me.

9 MR. NITZE: CONMEBOL.

10 THE COURT: "CONMEBOL and FIFA and their
11 constituent organizations of their right to honest and
12 faithful services through bribes and kickbacks, and to
13 obtain money and property by means of materially false and
14 fraudulent pretenses, representations, and promises, and for
15 the purpose of executing such scheme and artifice, to
16 transmit and cause to be transmitted by means of wire
17 communication in interstate and foreign commerce, writings,
18 signs, signals, pictures, and sounds, to wit; wire
19 transfers, telephone calls, and e-mails, contrary to Title
20 18, United States Code, Section 1343."

21 Ms. Danis, are you familiar with that charge?

22 THE DEFENDANT: Yes, I am, your Honor.

23 THE COURT: Do you understand what you're charged
24 with?

25 THE DEFENDANT: Yes, I do.

1 THE COURT: You're charged with the crime of
2 conspiracy. What is your understanding of the nature of a
3 conspiracy? What is a conspiracy?

4 THE DEFENDANT: My understanding of the nature of
5 conspiracy is an agreement between a number of people to do
6 something that may not be legal or considered correct.

7 THE COURT: I'll give you a B-plus. It's an
8 agreement between -- involving at least two people, could be
9 2, could be 2,000, at least 2 people to do something that's
10 in violation of the law. So it's the agreement to violate
11 the law, not the actual violation but the agreement itself.

12 Understand?

13 THE DEFENDANT: Understood.

14 THE COURT: You and I agree to sell cocaine out on
15 Cadman Plaza and we meant it, all right?

16 THE DEFENDANT: Yes.

17 THE COURT: We mean it. We're going to do that.
18 We're going into business. We've committed a federal crime
19 whether we sell any gram or not. That's the nature of the
20 offense charged in the information, the agreement.

21 Do you understand that?

22 THE DEFENDANT: Yes.

23 MR. NITZE: There's a second charge. I just
24 wanted to make sure your Honor understood. There's a Count
25 Two on the following page.

1 THE COURT: I beg your pardon. I misread, I sure
2 did.

3 Count Two, again, incorporates the previous
4 allegations and reads as follows: "On or about April 15,
5 2010, within the District of New Jersey, the defendant,
6 Zorana Danis, a resident of New Jersey, did willfully make
7 and subscribe a United States Corporate Income Tax Return,
8 Form 1120, for International Soccer Marketing, Inc., for the
9 fiscal tax year beginning August 1, 2008, which was verified
10 by a written declaration that it was made under penalties of
11 perjury and which was filed with the Internal Revenue
12 Service, which tax return the defendant, Zorana Danis, well
13 knew was not true and correct as to every material matter,
14 in that said return claimed that ISM paid an 'activation
15 rights fee' of \$1.25 million that constituted a deductible
16 business expense, whereas Zorana Danis then and there well
17 knew that the figure was a false and overstated amount that
18 included bribe and kickback payments."

19 Do you understand that allegation?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: Okay. That's pretty straight forward.

22 Any questions about either Count One or Count Two?

23 THE DEFENDANT: No, your Honor.

24 THE COURT: All right. Now, let me return, if I
25 might, to your agreement and discuss with you some important

1 information relative to sentencing. Paragraph 1 of your
2 agreement sets out, with respect to each count, the
3 penalties provided by law, including the maximum term of
4 imprisonment for each, okay.

5 With respect to Count One, the maximum term
6 available to the Court is 20 years imprisonment. With
7 respect to Count Two, the maximum term is three years
8 imprisonment. Each carries with it a period of what we call
9 supervised release if you are sentenced to a term of
10 imprisonment.

11 Supervised release, Ms. Danis, is a period of
12 supervision that begins to run the day you are released from
13 federal custody. If you were to violate the terms or
14 conditions of your supervised release, you could then be
15 returned to prison on Count One for a period of up to two
16 years, without any credit being given to you for the time
17 you've spent at liberty under supervision.

18 And with respect to Count Two, you could be
19 returned to prison for up to one year, again, without credit
20 for the time you've spent at liberty under supervision.

21 Do you follow that?

22 THE DEFENDANT: I do.

23 THE COURT: You also face with respect to Count
24 One a fine of \$250,000 or twice the gross gain or loss.
25 With respect to Count Two, a fine of up to \$100,000 and the

1 cost of prosecution. You are required to pay restitution in
2 an amount to be determined by the Court, including
3 restitution to the Internal Revenue Service on Count Two.
4 On each count there is what we call a special assessment of
5 \$100 so there's a total there of \$200 special assessment.
6 And as a result of your conviction -- you are not an
7 American citizen?

8 THE DEFENDANT: No.

9 THE COURT: You may have INS problems. You may be
10 subject to removal by immigration authorities.

11 Do you understand that?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: And with respect to -- and you should
14 understand as well that these penalties by law could run
15 consecutively one after another.

16 Do you understand?

17 THE DEFENDANT: Yes, I do.

18 THE COURT: All right. Those are the statutory
19 penalties that Congress has written into the law.

20 The next part of the sentencing discussion
21 involves what we call the Sentencing Guidelines. And these
22 guidelines address, among other things, where within this
23 rather broad range of sentencing, for example, on Count One,
24 zero to 20 years, where you should be sentenced. They are
25 not binding on the Court. I am required, however, to

1 consider your guidelines in arriving at what the law does
2 require and that is a reasonable sentence.

3 Now, we don't have any guidelines calculations in
4 here, I take it, Mr. Nitze, do we?

5 MR. NITZE: There is an appeal waiver that
6 references a 71-month sentence which is the government's
7 estimate of the top of the range should the defendant
8 receive two points off for acceptance of responsibility.
9 But there is no calculation set forth in our agreement as a
10 matter of current office policy and Mr. Haran can speak for
11 his client, but I believe she understands that, in any
12 event, the number is an estimate and then it's to your Honor
13 to calculate the guidelines at the time of sentence.

14 THE COURT: It's strictly the government's
15 estimate. We just want you to have some idea, as you stand
16 here and offer pleas of guilty, what the government is
17 thinking in terms of the calculation of these advisory
18 guidelines.

19 Do you understand that?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: You just heard Mr. Nitze express it in
22 terms of what we call an appeal waiver, which appears in
23 paragraph 3 of your agreement, whereby you agree not to
24 appeal the sentence or in any way challenge the sentence if
25 the Court imposes a term of imprisonment of 71 months or

1 below.

2 So as I understand this, and this doesn't have to
3 be your understanding, part of the deal here is you've
4 agreed in return for the government accepting these pleas in
5 satisfaction of all charges that you will not appeal the
6 sentence as long as the Court stays at 71 months or less.

7 Is that your understanding?

8 THE DEFENDANT: Yes, it is.

9 THE COURT: So there you have it. You have the
10 statutory penalties. You have the advisory guidelines. And
11 then you have the Court's obligation to impose a reasonable
12 sentence. To do that, I consider the advisory guidelines
13 range. I consider the submissions of counsel, both
14 Mr. Haran as well as Mr. Nitze. I consider a series of
15 statutory factors that are about you and the offense and any
16 other information that is germane to the issue of an
17 appropriate sentence. In considering all that, I am then
18 thereafter required to impose, as I said, what the law
19 recognizes to be a reasonable sentence.

20 All right. Are you ready to plead?

21 (Brief pause.)

22 THE COURT: You also have the issue of venue.
23 You're entitled to be charged, prosecuted, in the district
24 where the offenses take place, all right. You will remember
25 that Count One alleges the Southern District of New York.

1 You stand now this morning in the Eastern District of New
2 York, a bridge away from the Southern District of New York.

3 Count Two alleges a violation in the District of
4 New Jersey where presumably you filed your return or your
5 corporate return. You're entitled to have those charges
6 heard in those districts. You may, of course, as I assume
7 is your intention, waive venue as is reflected in paragraph
8 1 of your agreement.

9 Do you understand what I'm saying?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: Did you talk to counsel about this?

12 THE DEFENDANT: Yes, I have.

13 THE COURT: And you're prepared and willing, as
14 your agreement recites in paragraph 1, to waive not only the
15 indictment but venue with respect to both charges, correct?

16 THE DEFENDANT: Correct.

17 THE COURT: Are you ready to plead?

18 THE DEFENDANT: Yes, I am.

19 THE COURT: Wait a minute.

20 (Brief pause.)

21 THE COURT: That's why I have people around. They
22 correct my mistakes before I put them in the lasting record.

23 There is a forfeiture provision as well I see in
24 the agreement.

25 Mr. Nitze, can you elaborate?

1 MR. NITZE: Yes, Judge. The agreement includes \$2
2 million of forfeiture. These are monies that are tied to
3 the proceeds of the unlawful conduct charged in Count One.
4 The forfeiture provision provides that the defendant will
5 pay \$500,000 toward that amount within a week of the entry
6 of her plea and the remainder within a year. We've prepared
7 a forfeiture order for your Honor, which I believe Ellen has
8 to that effect.

9 THE COURT: I take it, Ms. Danis, this does not
10 come as a surprise to you?

11 THE DEFENDANT: No.

12 THE COURT: This is part of the understanding you
13 arrived at with the government?

14 THE DEFENDANT: Yes.

15 THE COURT: Any questions of the Court regarding
16 the forfeiture obligation?

17 THE DEFENDANT: No.

18 THE COURT: You've read the proposed order of
19 forfeiture?

20 THE DEFENDANT: Yes, I have.

21 THE COURT: And reviewed it with counsel?

22 THE DEFENDANT: Yes, I have.

23 THE COURT: Mr. Haran, does it comply with the
24 agreement, as far as you understand it?

25 MR. HARAN: Yes.

1 THE COURT: Bear with me just a second.

2 (Brief pause.)

3 THE COURT: I've signed the order.

4 All right. Ms. Danis, are you ready to plead? I
5 asked you that once before, but bear with me.

6 What is your plea to Count One? Guilty or not
7 guilty?

8 THE DEFENDANT: Guilty.

9 THE COURT: What is your plea to Count Two?
10 Guilty or not guilty?

11 THE DEFENDANT: Guilty.

12 THE COURT: Are you pleading guilty voluntarily?

13 THE DEFENDANT: Yes, I am, your Honor.

14 THE COURT: Your own free will?

15 THE DEFENDANT: Yes.

16 THE COURT: This is your judgment in consultation
17 with counsel?

18 THE DEFENDANT: Yes.

19 THE COURT: Has anybody made any representations
20 or promises to you that are not reflected in this agreement
21 that have contributed to your decision to offer these pleas
22 of guilty?

23 THE DEFENDANT: No, your Honor.

24 THE COURT: Has anybody told you what the sentence
25 will be?

1 THE DEFENDANT: Yes, your Honor.

2 THE COURT: They have?

3 THE DEFENDANT: They have. Well, not what it
4 would be, what it could possibly be.

5 THE COURT: Big difference. You were about to
6 make it into my diary.

7 All right. Count One charges a conspiracy and
8 Count Two charges a false statement on your tax return.
9 Tell me what happened.

10 THE DEFENDANT: The whole thing?

11 MR. HARAN: Yes.

12 THE DEFENDANT: I'm founder and owner of a sports
13 marketing company that focuses on the purchase and sale of
14 sponsorship rights associated with the Copa Libertadores, a
15 soccer tournament played in South America.

16 THE COURT: What does that mean, sponsorship
17 rights? Explain that to me.

18 THE DEFENDANT: It's like taking the MLS,
19 professional soccer, from each country in South America and
20 that the top four teams, champions, vice champions, third
21 and fourth play each other internationally, to get the
22 champion club for the entire continent, the ten countries of
23 South America plus Mexico.

24 THE COURT: What is sponsorship?

25 THE DEFENDANT: Sponsorship is the advertising

1 around the perimeter of a soccer field because in soccer
2 there aren't any commercial breaks so during the 45 minutes
3 of each half it's the only exposure that companies can get
4 in soccer.

5 THE COURT: Okay. And you buy those rights?

6 THE DEFENDANT: Correct.

7 THE COURT: And what do you do with them?

8 THE DEFENDANT: Resell them to sponsors.

9 THE COURT: Please proceed.

10 THE DEFENDANT: I've worked this tournament for
11 more than 15 years and started it from essentially nothing
12 and helped it grow 15 years into today being one of the top
13 five soccer events in the world.

14 Between 2000 and 2012, there were two members of
15 CONMEBOL, which is the South American soccer organization,
16 Continental. Nicolas Leoz, who is from Paraguay who is
17 President of this organization, and the General Secretary,
18 which was Mr. Eduardo Deluca, who also in their functions
19 were members of FIFA, the worldwide soccer organization.

20 They both began to request bribe and kickback
21 payments in connection with my affiliation to the Copa
22 Libertadores. I would have rather not had to pay them.
23 However, I did agree to do so. And I did it in exchange for
24 their continuing support of my position as the exclusive
25 marketing agent for the sponsorship rights to the Copa

1 Libertadores and to protect my ability to keep on reselling
2 and commercializing these rights successfully through the
3 company.

4 I understood at the time, as they were President
5 and General Secretary, that they were important officials of
6 CONMEBOL. That they were using their positions of authority
7 and trust to enrich themselves. Other officials of CONMEBOL
8 were aware of these requests for payment. And I did not
9 formally disclose these payments to the entire organization,
10 which were two bodies. One was the executive committee,
11 which most members knew. The other is the full congress,
12 and that was not disclosed formally at the full congress of
13 CONMEBOL. I also understood that the officials would not
14 voluntarily disclose these payments either.

15 THE COURT: You mean, the recipients?

16 THE DEFENDANT: The recipients, correct.

17 I relied on U.S. financial institutions and wire
18 facilities to make these payments. The company held a bank
19 account at Citibank, the only one that it ever had, and
20 payments went from that account, both legitimate payments
21 for the commercial rights and then payments to these two
22 individuals, and those individuals had accounts both
23 overseas and in the United States.

24 I knew that my conduct in paying these bribes and
25 kickbacks was wrong. It shouldn't have happened.

1 MR. HARAN: That's as to Count One, your Honor.

2 THE COURT: Go ahead.

3 THE DEFENDANT: Count Two, I willfully filed a
4 corporate tax return for the fiscal tax year beginning
5 August 2008, so August 2008 to July 31st, 2009. I swore
6 under penalty that the information in the return was true
7 and filed it with the IRS. I claimed that ISM paid an
8 activation rights fee of \$1.25 million as a deductible
9 business expense and, in fact, that figure was not a
10 deductible business expense and part of it was payments to
11 these two individuals.

12 MR. HARAN: And that was for the -- the tax return
13 was for ISM?

14 THE DEFENDANT: Correct. ISM, my company,
15 International Soccer Marketing.

16 MR. NITZE: Two follow-up points. One, just that
17 they -- ask the defendant to put on the record that the
18 bribe payments were knowing and intentional.

19 THE COURT: You knew what you were doing.

20 THE DEFENDANT: Yes, they were.

21 MR. NITZE: And secondly, under the tax count, I
22 believe she said under penalty, but just to be clear, that's
23 penalty of perjury.

24 THE COURT: That's right. Under penalty of
25 perjury as the form indicates, correct?

1 THE DEFENDANT: Correct.

2 THE COURT: Anything else?

3 MR. NITZE: Nothing further.

4 THE COURT: Mr. Haran?

5 MR. HARAN: No, your Honor.

6 THE COURT: Based on the information given to me,
7 I find that the defendant is acting voluntarily, that she
8 understands her rights and the consequences and possible
9 consequences of her pleas, and that there are factual bases
10 for the pleas of guilty which I now, therefore, formally
11 accept; namely, pleas of guilty to Counts One and Two of
12 information bearing Docket No. 15-CR-240.

13 I urge you at the appropriate time, Ms. Danis, to
14 cooperate with the probation department consistent, of
15 course, with the advice of counsel in their preparation of a
16 presentence report.

17 Shall we set a control date, Mr. Nitze? If so,
18 when?

19 MR. NITZE: Perhaps we could set a date six months
20 out.

21 THE COURT: Just so we don't lose track of each
22 other, let's do just that. Ellie.

23 THE COURTRoom DEPUTY: We can put it down for
24 October 9th at 10:00 a.m. as a control date.

25 And Mr. Nitze, I believe we're going to have to

1 set a bond?

2 MR. NITZE: Yes.

3 THE COURT: Have you done a report?

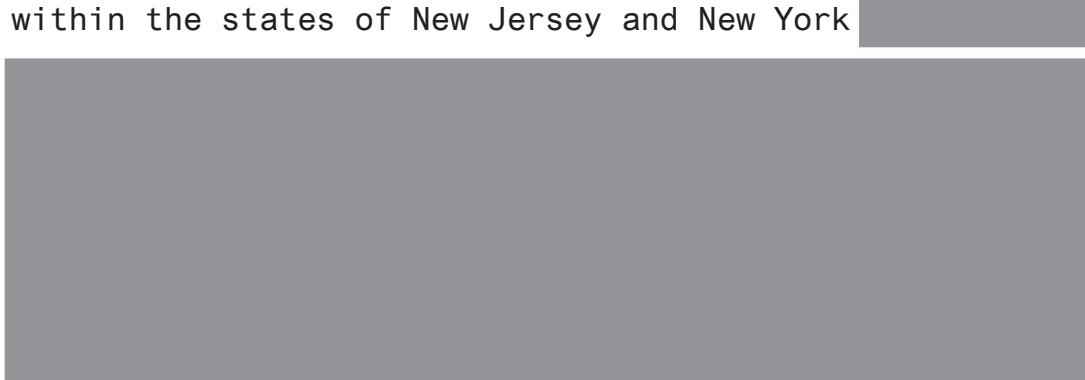
4 PRETRIAL OFFICER: Your Honor, we were unable to
5 finish a written report, but I was here in court today in
6 case your Honor had any questions. I did have the
7 opportunity to interview Ms. Danis about an hour and a half
8 ago.

9 THE COURT: Okay. And you have reached some sort
10 of an understanding with respect to bail?

11 MR. NITZE: We have, your Honor.

12 THE COURT: And that is?

13 MR. NITZE: That the defendant be released on an
14 unsecured bond of \$1.5 million. That the defendant
15 surrender her passport. That she be restricted to travel
16 within the states of New Jersey and New York



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22 MR. HARAN: May I have one moment? Just one
23 moment.

24 (Brief pause.)

25 MR. HARAN: Your Honor?

1 THE COURT: Yes.

2 MR. HARAN: The government -- we have talked. We
3 have an agreement, but I do have a request; I don't think
4 the government objects. Ms. Danis's daughter is in Texas
5 and so we would ask that Texas and Florida be added as
6 places that it's likely she would travel on a routine basis
7 so that I don't know that we would need -- I would just ask
8 we put it in the bond, but if we need to go to the Court.

9 THE COURT: No objection to it, but I want
10 pretrial notified. We want to know where the woman is at
11 any given time.

12 MR. NITZE: Absolutely.

13 MR. HARAN: Absolutely.

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18 MR. HARAN: Okay.

19 THE COURT: What passport do you hold?

20 THE DEFENDANT: A Belgium passport.

21 THE COURT: Do you have any other passport?

22 THE DEFENDANT: No.

23 THE COURT: Anything else?

24 MR. NITZE: Pretrial has requested once per month
25 check in by phone with pretrial. We think that makes sense.

1 THE COURT: You explained that to Ms. Danis?

2 PRETRIAL OFFICER: Absolutely.

3 THE COURT: Anything else?

4 MR. NITZE: Nothing further on the matter of bail.

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21 All right, folks. Good luck. We'll see you next
22 time.

23 MR. NITZE: Thank you, Judge.

24 THE DEFENDANT: Thank you, your Honor.

25 (Time noted: 11:52 a.m.)

CERTIFICATION

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

Official Court Reporter

December 3, 2015